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of St. Louis

U.S. Financial Data

JAN 06 1986

January 3, 1986

According to the expectations view of the term structure of interest rates, long-term yields mirror expectations about future levels of short-term yields. Since October 1985, long-term interest rates have declined substantially, while short-term rates have remained fairly constant. This is true of yields on both privately issued securities and Treasury issues (see pages 6 and 7). Assuming that there has been no change in the relative risk of long-term securities, the recent decline in rate spreads indicates that market participants have lowered their forecasts of future short-term interest rates.

Interest rates in general are now well below the levels reached in March of last year. By the week ending June 21, after significant declines in both long- and short-term rates, the spread between the weekly rates on corporate Aaa bonds and 30-day commercial paper was 373 basis points, nearly unchanged from the 390 point spread that had prevailed in late March. Since late June, short-term rates have risen slightly, while long-term rates have declined further, particularly since mid-October. The rate on commercial paper rose from 7.13 percent in the week ending June 21 to 7.91 percent in the week ending January 3, 1986. In contrast, the Aaa bond rate fluctuated in the neighborhood of 11 percent from mid-June through October, but declined to 9.93 percent by January 3, narrowing the spread over commercial paper to 202 basis points.

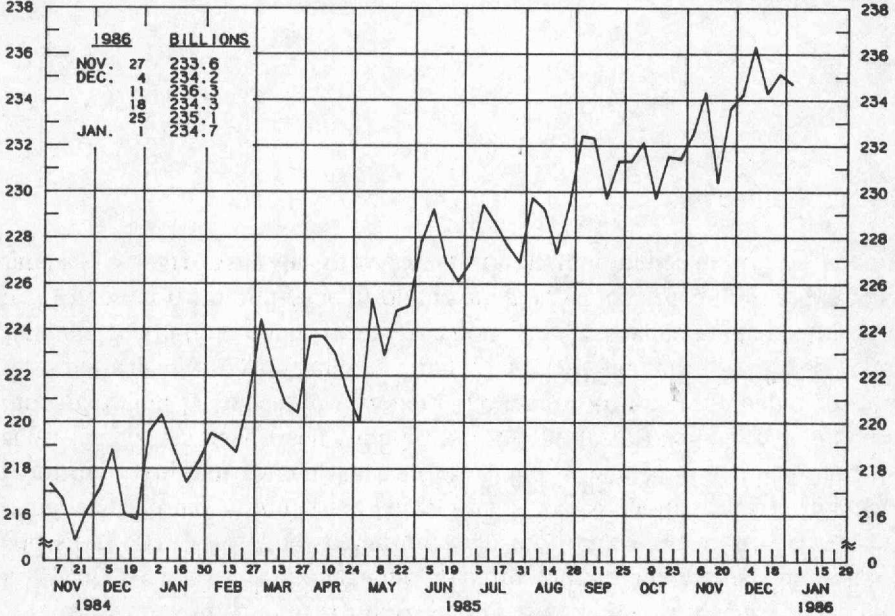
—Philip A. Nuetzel



ADJUSTED MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 1, 1986

THE ADJUSTED MONETARY BASE IS THE SUM OF RESERVE ACCOUNTS OF FINANCIAL INSTITUTIONS AT FEDERAL RESERVE BANKS, CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF ALL DEPOSITORY INSTITUTIONS) AND AN ADJUSTMENT FOR RESERVE REQUIREMENT RATIO CHANGES. THE MAJOR SOURCE OF THE ADJUSTED MONETARY BASE IS FEDERAL RESERVE CREDIT. DATA ARE COMPUTED BY THIS BANK. A DETAILED DESCRIPTION OF THE ADJUSTED MONETARY BASE IS AVAILABLE FROM THIS BANK.

RECENT DATA ARE PRELIMINARY.

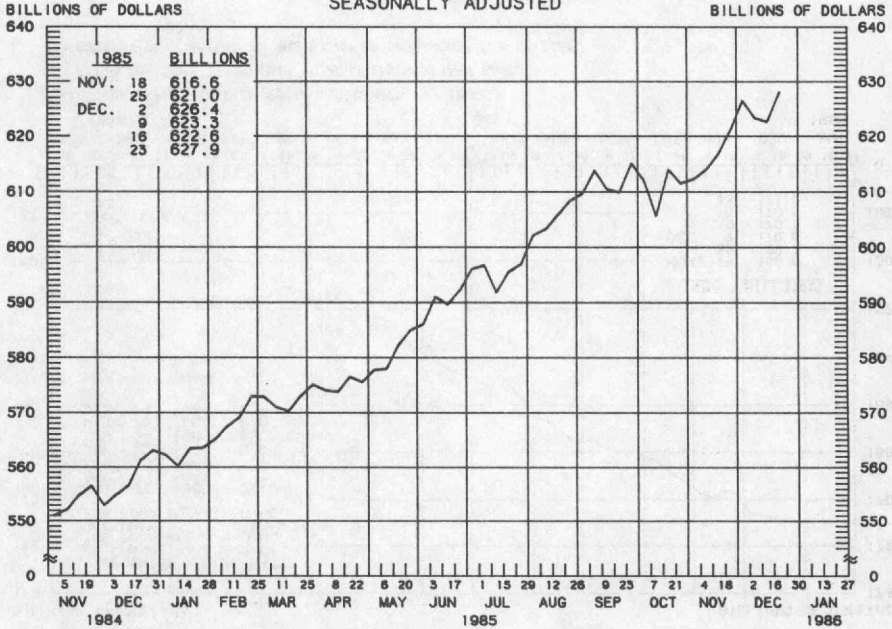
ADJUSTED MONETARY BASE

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

| TO THE AVERAGE OF FOUR WEEKS ENDING: | 1/2/85 | 4/3/85 | 5/29/85 | 7/3/85 | 7/31/85 | 9/4/85 | 10/2/85 | 10/30/85 |
|--------------------------------------|--------|--------|---------|--------|---------|--------|---------|----------|
| 5/29/85 | 8.0 | | | | | | | |
| 7/3/85 | 9.1 | 10.3 | | | | | | |
| 7/31/85 | 8.5 | 8.9 | 9.6 | | | | | |
| 9/4/85 | 8.3 | 8.5 | 8.7 | 6.0 | | | | |
| 10/2/85 | 8.4 | 8.7 | 8.9 | 7.0 | 8.1 | | | |
| 10/30/85 | 7.6 | 7.5 | 7.2 | 5.3 | 5.5 | 4.6 | | |
| 12/4/85 | 7.7 | 7.7 | 7.5 | 6.1 | 6.5 | 6.2 | 4.8 | |
| 1/1/86 | 8.0 | 8.1 | 8.0 | 7.0 | 7.4 | 7.5 | 6.9 | 10.1 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 23, 1985

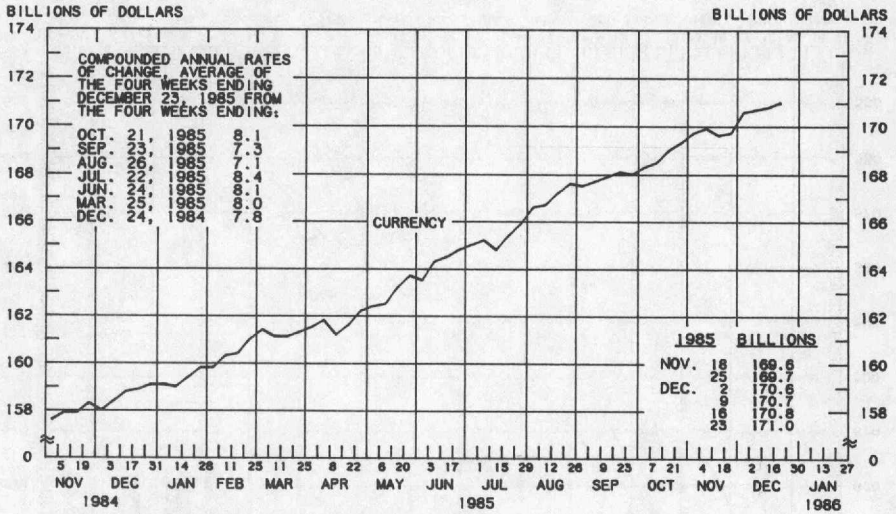
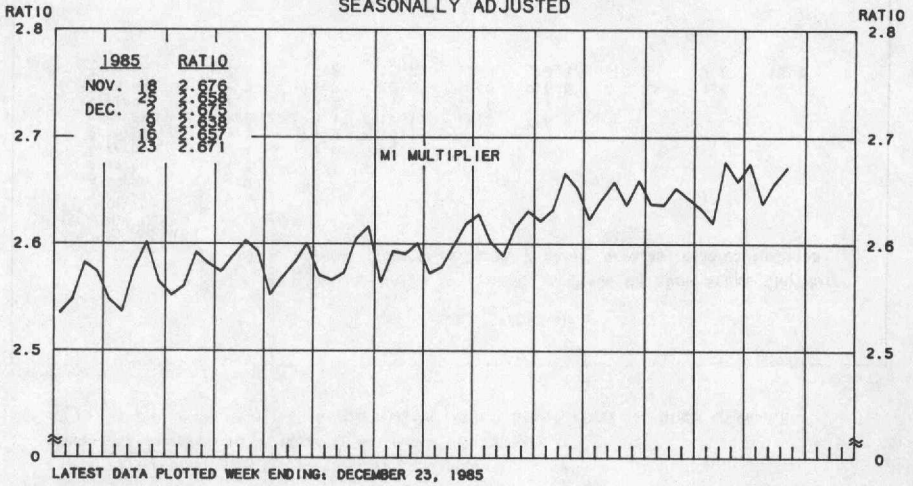
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

M1 IS THE SUM OF CURRENCY HELD BY THE NONBANK PUBLIC, DEMAND DEPOSITS, OTHER CHECKABLE DEPOSITS AND TRAVELERS CHECKS.

| COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
|--|----------|---------|---------|---------|---------|---------|---------|----------|------|
| | 12/24/84 | 3/25/85 | 5/20/85 | 6/24/85 | 7/22/85 | 8/26/85 | 9/23/85 | 10/21/85 | |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
| 5/20/85 | | 10.0 | | | | | | | |
| 6/24/85 | | 12.3 | 13.1 | | | | | | |
| 7/22/85 | | 12.3 | 12.9 | 17.8 | | | | | |
| 8/26/85 | | 13.2 | 14.2 | 18.1 | 15.8 | | | | |
| 9/23/85 | | 13.2 | 14.1 | 17.1 | 15.2 | 16.5 | | | |
| 10/21/85 | | 12.1 | 12.4 | 14.1 | 11.9 | 11.7 | 7.5 | | |
| 11/25/85 | | 11.6 | 11.7 | 12.9 | 10.8 | 10.5 | 7.5 | 4.8 | |
| 12/23/85 | | 12.3 | 12.6 | 13.9 | 12.4 | 12.4 | 10.6 | 9.6 | 13.3 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY MULTIPLIER 1/
CURRENCY COMPONENT OF MONEY STOCK 2/
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

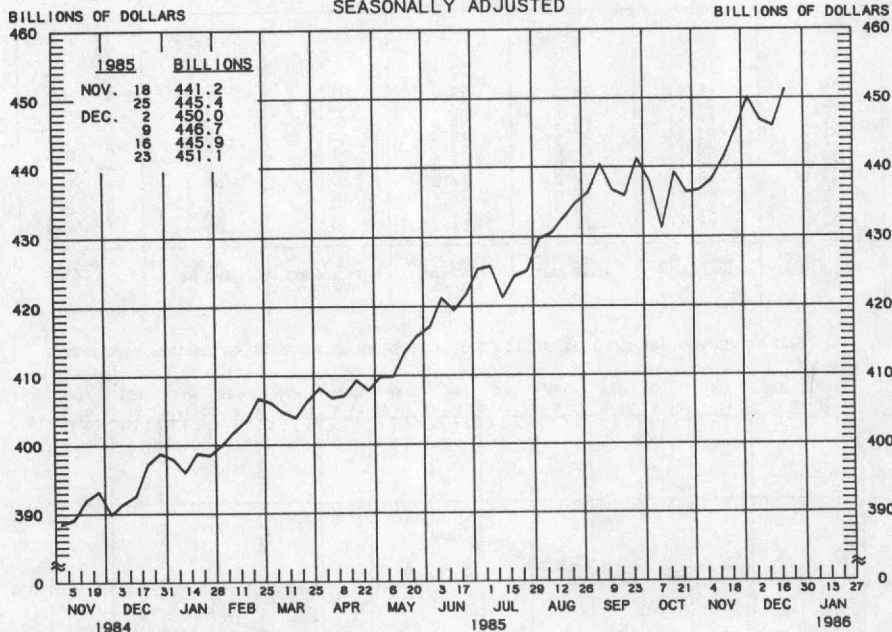


1/ RATIO OF MONEY STOCK (M1) TO ADJUSTED MONETARY BASE
2/ CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TOTAL CHECKABLE DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 23, 1985

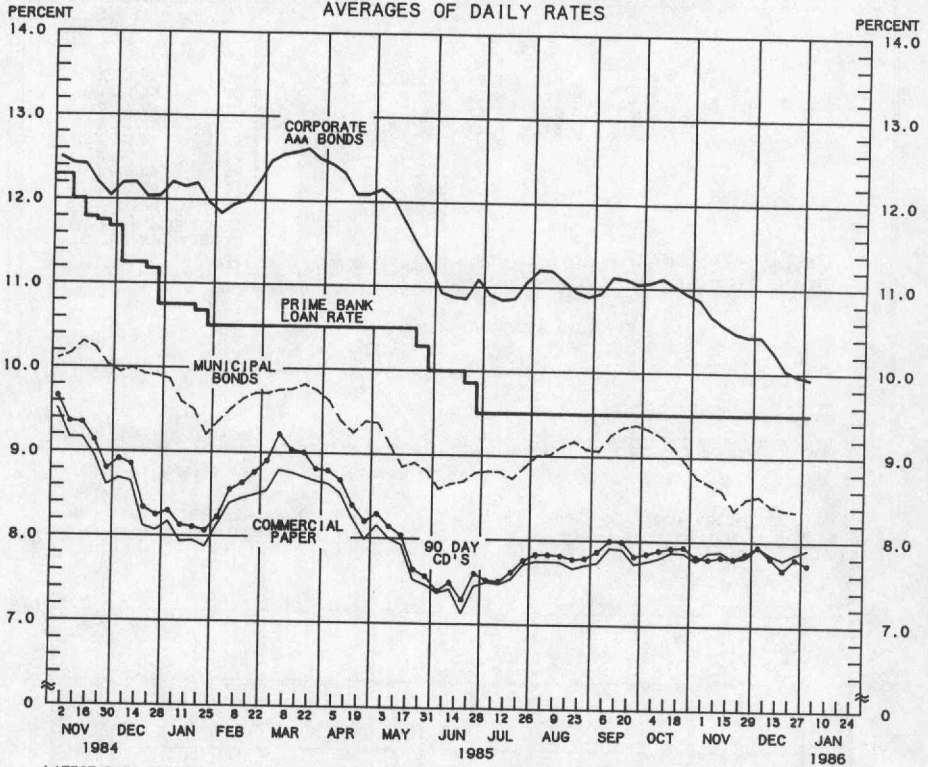
TOTAL CHECKABLE DEPOSITS IS THE SUM OF DEMAND DEPOSITS AND OTHER CHECKABLE DEPOSITS AT ALL DEPOSITORY INSTITUTIONS.

| TOTAL CHECKABLE DEPOSITS | | | | | | | | | | |
|--|----------|---------|---------|---------|---------|---------|---------|----------|--|--|
| COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | | |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | 12/24/84 | 3/25/85 | 5/20/85 | 6/24/85 | 7/22/85 | 8/26/85 | 9/23/85 | 10/21/85 | | |
| 5/20/85 | 11.3 | | | | | | | | | |
| 6/24/85 | 14.2 | 15.2 | | | | | | | | |
| 7/22/85 | 14.2 | 15.0 | 21.2 | | | | | | | |
| 8/26/85 | 15.1 | 16.3 | 21.1 | 17.8 | | | | | | |
| 9/23/85 | 15.3 | 16.4 | 20.2 | 17.6 | 19.2 | | | | | |
| 10/21/85 | 13.9 | 14.1 | 16.3 | 13.3 | 13.0 | 8.4 | | | | |
| 11/25/85 | 13.2 | 13.1 | 14.6 | 11.9 | 11.4 | 8.0 | 4.2 | | | |
| 12/23/85 | 14.2 | 14.5 | 16.1 | 14.1 | 14.1 | 12.2 | 10.6 | 15.6 | | |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES



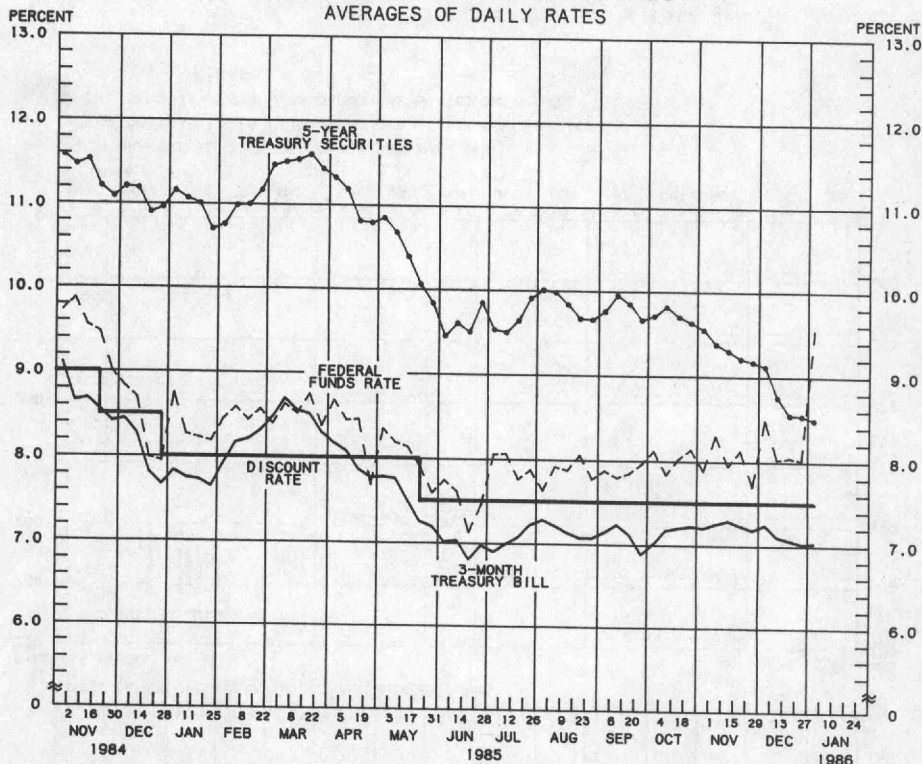
| 1986 | 90 DAY CD'S | 30-DAY COMMERCIAL PAPER | 90-DAY BANKERS* ACCEPTANCES | CORPORATE AAA BONDS | CORPORATE BAA BONDS | MUNICIPAL BONDS ** |
|----------|----------------|-------------------------------|-----------------------------------|------------------------|------------------------|-----------------------|
| NOV. 1 | 7.82 | 7.77 | 7.71 | 10.87 | 12.24 | 8.76 |
| 8 | 7.79 | 7.87 | 7.70 | 10.67 | 12.12 | 8.68 |
| 15 | 7.82 | 7.88 | 7.73 | 10.56 | 12.02 | 8.60 |
| 22 | 7.80 | 7.79 | 7.72 | 10.47 | 11.91 | 8.60 |
| 29 | 7.86 | 7.82 | 7.73 | 10.43 | 11.85 | 8.37 |
| DEC. 6 | 7.94 | 7.94 | 7.78 | 10.43 | 11.87 | 8.51 |
| 13 | 7.81 | 7.85 | 7.67 | 10.26 | 11.70 | 8.54 |
| 20 | 7.67 | 7.79 | 7.56 | 10.04 | 11.46 | 8.42 |
| 27 | 7.80 | 7.86 | 7.70 | 9.97 | 11.36 | 8.38 |
| JAN. 3 * | 7.73 | 7.91 | 7.66 | 9.93 | 11.36 | 8.36 |
| 10 | | | | | | N.A. |
| 17 | | | | | | |
| 24 | | | | | | |
| 31 | | | | | | |

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE.
 * AVERAGES OF RATES AVAILABLE
 ** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED INTEREST RATES AVERAGES OF DAILY RATES



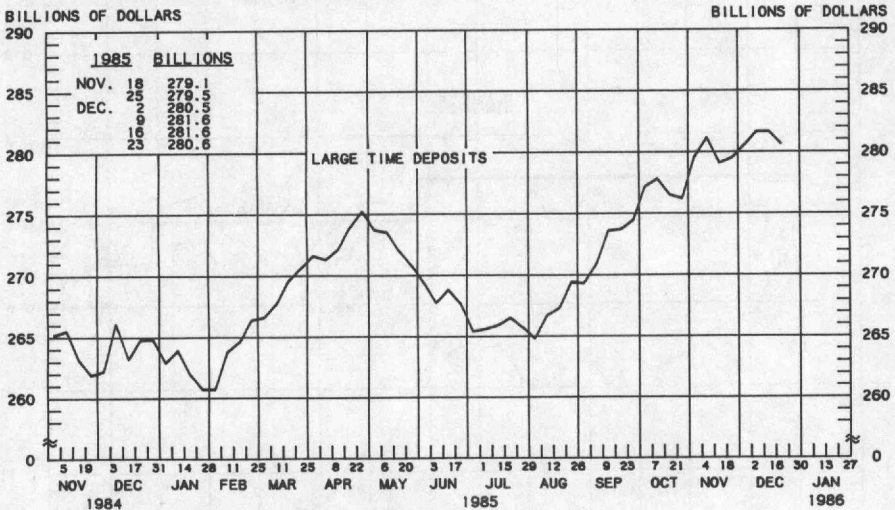
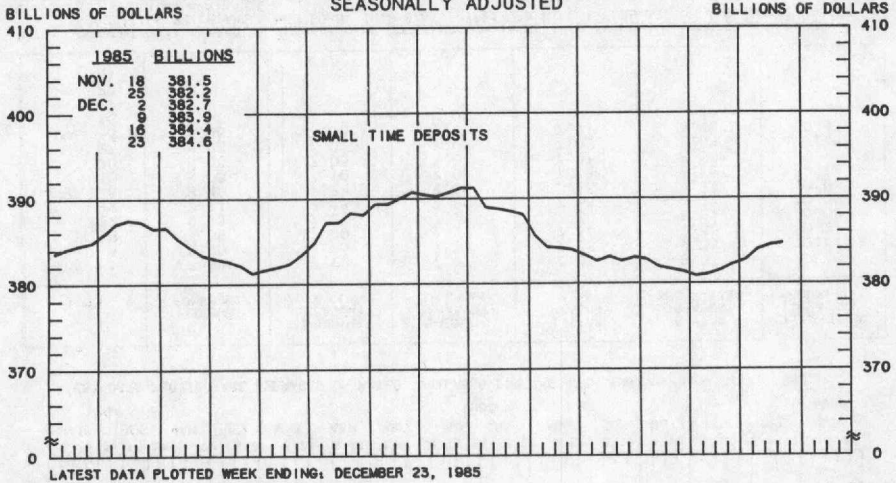
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 3, 1986.

| 1986 | FEDERAL FUNDS % | 3-MONTH TREASURY BILL | 6-MONTH TREASURY BILL % | 1-YEAR TREASURY BILL | 5-YEAR TREASURY SECURITIES | LONG-TERM TREASURY SECURITIES |
|----------|-----------------|-----------------------|-------------------------|----------------------|----------------------------|-------------------------------|
| NOV. 1 | 7.89 | 7.20 | 7.37 | 7.41 | 9.55 | 10.48 |
| 8 | 8.30 | 7.25 | 7.30 | 7.36 | 9.38 | 10.31 |
| 15 | 7.95 | 7.29 | 7.23 | 7.34 | 9.30 | 10.21 |
| 22 | 8.13 | 7.23 | 7.26 | 7.30 | 9.21 | 10.28 |
| 29 | 7.71 | 7.18 | 7.26 | 7.33 | 9.17 | 10.06 |
| DEC. 6 | 8.49 | 7.24 | 7.26 | 7.35 | 9.12 | 10.05 |
| 13 | 8.03 | 7.10 | 7.02 | 7.13 | 8.76 | 9.74 |
| 20 | 8.05 | 7.06 | 7.01 | 7.07 | 8.55 | 9.52 |
| 27 | 8.02 | 7.02 | 7.05 | 7.09 | 8.54 | 9.46 |
| JAN. 3 * | 9.55 | 7.03 | 7.07 | 7.11 | 8.49 | 9.43 |
| 10 | | | | | | |
| 17 | | | | | | |
| 24 | | | | | | |
| 31 | | | | | | |

NOTE: CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.15 RELEASE EXCLUDING LONG-TERM TREASURY SECURITIES WHICH ARE COMPUTED BY THIS BANK. TREASURY BILL YIELDS ARE ON A DISCOUNT BASIS.
 * AVERAGES OF RATES AVAILABLE
 % SEVEN-DAY AVERAGES FOR WEEK ENDING TWO DAYS EARLIER THAN DATE SHOWN
 % AUCTION AVERAGE (DISCOUNT)

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCIAL BANK
 SMALL TIME DEPOSITS ^{1/}
 LARGE TIME DEPOSITS ^{2/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED

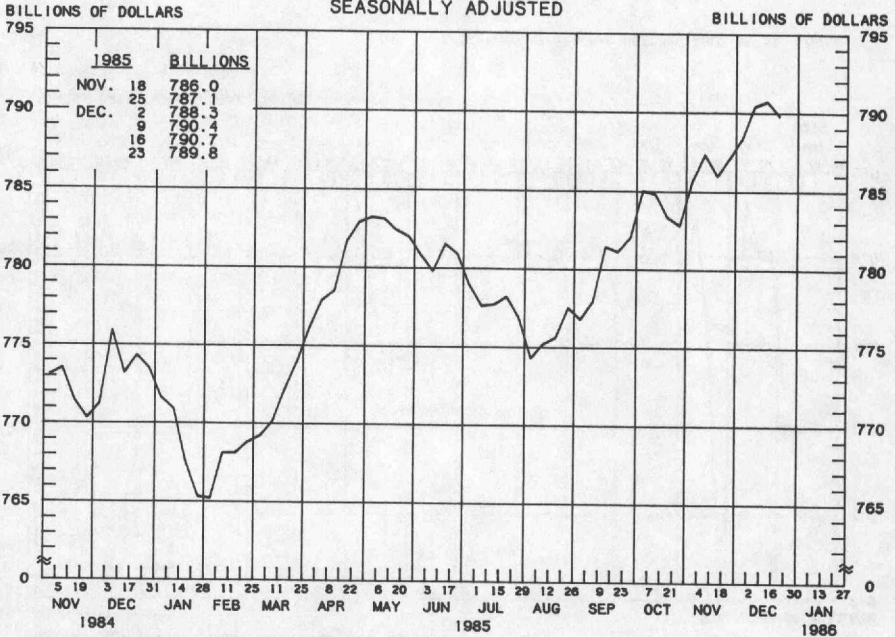


1/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF LESS THAN \$100,000

2/ TIME DEPOSITS ISSUED IN DENOMINATIONS OF \$100,000 OR MORE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**COMMERCIAL BANK
TOTAL TIME DEPOSITS**
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



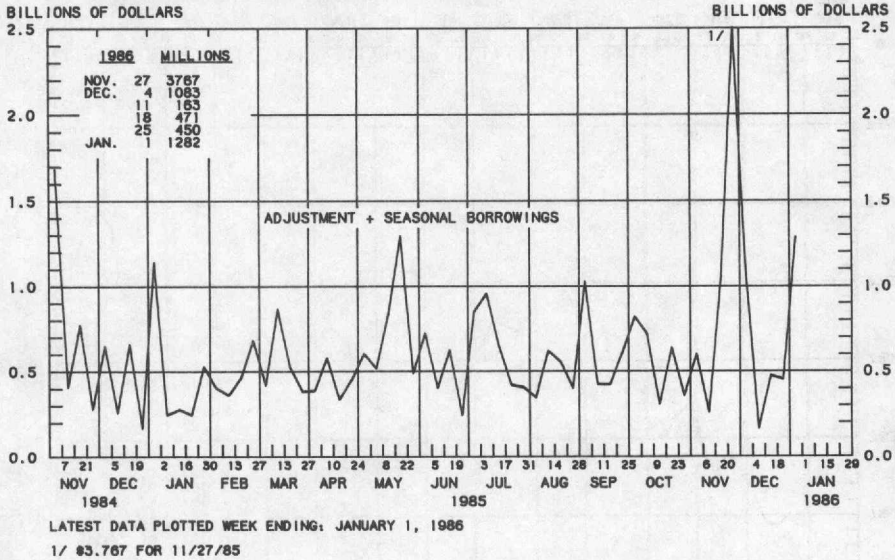
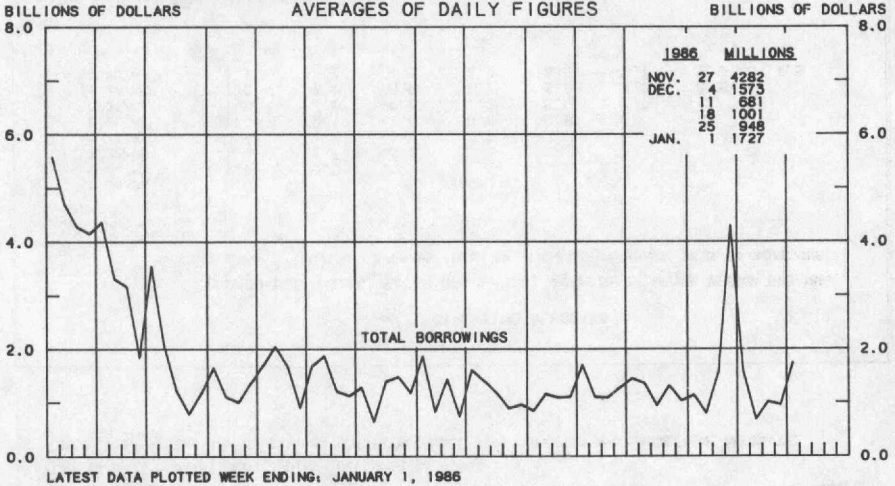
LATEST DATA PLOTTED WEEK ENDING: DECEMBER 23, 1985

TOTAL TIME IS THE SUM OF SAVINGS DEPOSITS, SMALL TIME DEPOSITS AND LARGE TIME DEPOSITS.

| TOTAL TIME DEPOSITS | | | | | | | | | |
|--|----------|---------|---------|---------|---------|---------|---------|----------|-----|
| COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
| | 12/24/84 | 3/25/85 | 5/20/85 | 6/24/85 | 7/22/85 | 8/26/85 | 9/23/85 | 10/21/85 | |
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | | |
| 5/20/85 | | 3.0 | | | | | | | |
| 6/24/85 | | 1.8 | 5.0 | | | | | | |
| 7/22/85 | | 1.0 | 2.7 | -3.5 | | | | | |
| 8/26/85 | | 0.4 | 1.3 | -3.4 | -3.7 | | | | |
| 9/23/85 | | 1.0 | 2.1 | -1.3 | -0.8 | 0.9 | | | |
| 10/21/85 | | 1.6 | 2.8 | 0.3 | 1.2 | 3.0 | 7.0 | | |
| 11/25/85 | | 1.8 | 2.9 | 0.9 | 1.7 | 3.2 | 5.7 | 5.5 | |
| 12/23/85 | | 2.1 | 3.2 | 1.5 | 2.3 | 3.6 | 5.7 | 5.5 | 4.5 |

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MMDAS, MMMFS AND SUPER NOWS

(BILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED)

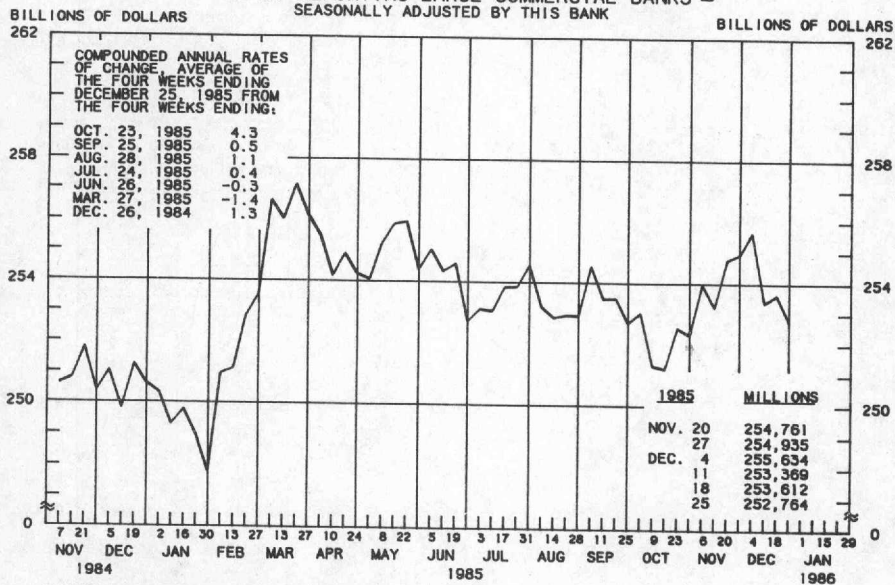
| | | MMDAs 1/ | MMMFs 2/ | Super NOWs 3/ |
|----------|----|----------|----------|---------------|
| October | 28 | \$325.2 | \$240.2 | \$60.1 |
| November | 4 | 327.0 | 241.2 | 61.7 |
| | 11 | 328.4 | 240.5 | 62.5 |
| | 18 | 329.4 | 239.6 | 62.5 |
| | 25 | 330.0 | 242.1 | 61.8 |
| December | 2 | 330.4 | 241.0 | 62.8 |
| | 9 | 331.8 | 241.0 | 64.1 |
| | 16 | 332.5 | 240.6 | 63.7 |
| | 23 | 332.1 | 240.7 | 63.9 |

1/ Money market deposit accounts at commercial banks

2/ Total money market mutual fund balances

3/ NOW accounts at all depository institutions, requiring a \$1,000 minimum balance and eligible to earn more than 5.25 percent, effective 1/5/85

BUSINESS LOANS^{1/} (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS^{2/} SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 25, 1985

1/ BUSINESS LOANS INCLUDE BANKERS' ACCEPTANCES AND COMMERCIAL PAPER.

2/ BANKS WITH DOMESTIC ASSETS GREATER THAN \$1.4 BILLION

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS